

## **Europe Chapter Welcomes European Commission and Determines Key Priorities for 2024**

9 Feb 2024

Stockholm, 8 February 2024 - On 26 January, Chair Ilze Znotina hosted the GCFFC Europe Chapter meeting in Brussels.

Only a week prior, the European Council and European Parliament reached a provisional agreement on the new Anti-Money Laundering (AML) Package. Raluca Pruna at the European Commission joined the Europe Chapter and presented the highlights of the new AML Authority (AMLA), AML Regulation and 6th AML Directive.

Some highlights of the new AML Regulation, 6 AML Directive and AMLA include:

- New Obligated Entities include crowdfunding platforms, professional football clubs and agents, operators of investor residence schemes (not citizenship schemes) and traders of luxury goods.
- Thresholds for reporting the purchase of High-Value goods: € 250.000 for cars and € 7,5 million for boats and planes.
- Mandatory Beneficial Ownership registration of foreign entities entering into a relationship with an Obligated Entity (will apply retroactively from 1 January 2014!) and acquiring real estate in the EU.
- AMLA will manage the risks of evasion and non-implementation of Targeted Financial Sanctions.
- FIUs will be able to suspend a transaction for up to 10 days and a business relationship for 5 days.

The European Commission and GCFFC express interest and willingness to continue their engagement in the implementation of the ambitious AML Package.

The rest of the meeting centred around determining the other focus areas for 2024. Firstly, Znotina presents her vision for the chapter. According to Znotina, countering financial crime goes far beyond discussions about AML/CFT. In the end, fighting financial crime is about protecting the EU's financial system, security and democratic values for current and candidate Member States.

For example, in June 2023, the EU announced its European Security Strategy. The long-awaited strategy is inspired by the 'G7 Leaders' Statement on Economic Resilience and Economic Security' issued in May 2023 and the underlying 2022 Japanese 'National Security Strategy'. Unlike in Japan, which is a "front-runner on economic security", the EU's economic strategy does not explicitly mention sanctions.

GCFFC also notes the absence of other AML/CFT countermeasures and financial crime more generally which is striking considering their impact on economic security. The Europe Chapter concludes this is a missed opportunity for the EU especially considering that many elements of economic security require or at least benefit from implementing AML/CFT checks and countermeasures. For example, implementing supply chain and investment controls requires similar monitoring frameworks as those for AML/CFT.

The GCFFC expresses interest in bridging the gap between AML/CFT and the European Security Strategy through the following activities:

- Issuing economic security advisories;
- Helping Ukraine combat money laundering in large infrastructure projects;
- Advising the new AML Authority;

- Addressing the role of Professional Money Launderers (enablers); and
- Creating an information-sharing platform for all relevant entities and agencies.

The attendees also discuss other priorities for 2024 including Beneficial Ownership (BO) registries. Important current concerns include access to BO registries, standardisation of data and cross-border data-sharing. Open Ownership will lead the efforts in this area in collaboration with the Chapter.

In addition, the chapter recognises the need to counter Professional Money Launderers or enablers, not included in the FATF's definition of Designated Non-Financial Businesses and Professions. The new AML Authority will not focus on enablers while their role in facilitating illicit finance is substantial. To plug the gap, GCFFC decides to raise awareness, share case studies and create a working group.

The last working group will centralise the ongoing work of GCFFC on public-private partnerships under the leadership of Che Sidanius, Vice-Chair of GCFFC.

Thanks to all the participants for joining the 2024 strategic brainstorm of the Europe Chapter! Participants include Interpol, FIU Germany, Ministry of Foreign Affairs Lithuania, Open Ownership, Nordea Bank, ABN Amro, Basel Institute on Governance, United Nations Office on Drugs and Crime, Western Union, NatWest, London Stock Exchange Group, InnoFi Advisory, Dubai Virtual Assets Regulatory Authority, Centre for European Policy Studies, Crypto.com, TRM Labs, Traffik Analysis Hub, World Economic Forum, Crystal Blockchain, End Wildlife Crime, Crime stoppers international, European Association of Corporate Treasurers.

#### **ABOUT THE GLOBAL COALITION TO FIGHT FINANCIAL CRIME (GCFFC)**

The GCFFC bring together organisations from the public sector, including law enforcement and international organisations, as well as the private sector, including banks and fintechs, and not-for-profit, all of whom are committed to collaborate to make the fight against the financial crime more effective.